

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN JOHN WITT**, on January 22, 1999 at
8:00 A.M., in Room 201 Capitol.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. William Crismore (R)
Rep. Dick Haines (R)
Sen. Linda Nelson (D)
Rep. Joe Tropila (D)

Members Excused: None.

Members Absent: None.

Staff Present: Summer Alger, Committee Secretary
Bob Tallerico, Legislative Branch
Shirley Moore, OBPP
Doug Schmitz, OBPP

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 2 - Dept. of Livestock Budget
Executive Action: HB 2 - Dept. of Livestock Budget

Bob Tallerico discussed the Differences from the Executive Budget
as of 1/22/99 handout.

EXHIBIT(jnh17a01)

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Chairman Witt welcomed the Department of Livestock and **Mark Bridges, Secretary, Board of Livestock**, introduced the board members.

HEARING ON HB 2 - DEPT. OF LIVESTOCK BUDGET - GENERAL OVERVIEW

{Tape : 1; Side : A; Approx. Time Counter : 5.3 → Tape : 2; Side : A; Approx. Time Counter : 31}

George Harris, Administrator, Central Services Division, began with a budget overview, including chart handouts on General Fund, General Fund Comparison to Total Budget, and Fund Balance Projection.

EXHIBIT(jnh17a02), **EXHIBIT(jnh17a03)**, and **EXHIBIT(jnh17a04)**, respectively.

Bob Tallerico commented on the LFD Issues: the CI-75 concern on page **C-92** of the Legislative Budget Analysis 2001 Biennium: Agency Budgets, Vol. 1, January 1999, LFD, and the Funding of Central Services and Diagnostic Lab concern on page **C-93**.

**The Legislative Budget Analysis (LBA) 2001 budget book will not be referred to as an exhibit, however, budget information from other sources will be noted as exhibits.*

George Harris continued with the Central Services Division overview on page **C-95** of the LBA 2001 budget book, then **Mr. Tallerico** entered in with a discussion of the LFD Issue on Program Funding and Table 2 on page **C-95**. He also addressed Funding of the Board of Livestock, with options on page **C-96** if the subcommittee wanted to take action. **Mr. Harris** replied to the LFD options, and **Doug Schmitz** commented also.

Dr. Larry Stackhouse, Diagnostic Lab, Bozeman, gave comment, while **Mr. Harris** referred to information on Chart 1 (Exhibit 1) on General Fund, and on the need for a microbiologist for the Milk Lab. **Rep. Tropila** asked if the FDA would provide any funding for the lab, and **Bob Gilbert, MT Dairy Association**, replied, as did **Mr. Harris**.

The Animal Health and Disease Control Programs were next on the discussion agenda. **Arnold Gertonson, D.V.M., State Veterinarian**, commented on the programs as did **Mr. Harris**.

Kennith Lee, D.V.M., Administrator, Milk & Egg Program, addressed this program, stating that it is funded through tax to producers.

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Rob Tierney, Assistant Administrator, Inspection and Control Program, gave an overview of this program. **Chairman Witt** questioned him on the brand inspector in Choteau County, and **Mark Bridges** responded. **George Harris** then told the committee that the Brand Re-Record request is to be one-time-only.

Sen. Keating inquired as to what extent the budget of the Department of Livestock is limited/authorized by the Board of Livestock, then **Rep. Haines** asked how the Board interacts with the department. **Mr. Harris** gave his explanation while referring to Chart 2 (Exhibit 3). He stated that the Governor appointed members for a term of 6 years. **Mark Bridges** commented also.

In moving on to Predator Control, **Mark Bridges, Administrator, Enforcement Division**, commented on the main points of this program, with **Mr. Harris** adding that \$110,000 comes from FWP and 1 FTE is unfunded. **Sen. Keating** and **Bob Tallerico** had questions on the unfunded FTE, while **Chairman Witt** inquired about helicopters. **Mark Bridges** responded to the **Chairman** as did **Bob Gilbert**, who passed out a newspaper article entitled: "What a Surprise: Coyotes eat fawns."

EXHIBIT (jnh17a05)

Meat and Poultry Inspection was the next program discussed by **Dr. Kenneth Lee**. He stated that this program is funded 50% from General Fund and 50% Federal Funds match. **George Harris** commented on the leased vehicles, which he likes because there is no argument over who owns the vehicle.

The Milk Control Bureau was addressed next with comments from **Jerry Leep, Dairy Industry Representative, Board of Livestock**. **Sen. Keating** questioned if the Milk Control Bureau limited the number of producers, to which **Mr. Leep** replied that the quota only applies to Class 1 fluid milk. A discussion of the quota system ensued with additional questioning from **Chairman Witt** and **Sen. Keating**. **John Paugh, Chairman, Board of Livestock, Leonard Grove, Sheep Industry Representative, Board of Livestock**, and **Bob Gilbert** responded to committee questions.

Bob Tallerico inquired about the funding for the Predator Control Program, and found that it is funded totally from State Special Revenue. **Mark Bridges** commented as did **Bob Gilbert**, who said that there is Federal money through a cooperative agreement.

Rep. Haines questioned and found that **George Harris** and **Mark Bridges** both work for the Board of Livestock, while **Duane Braaten, Board of Livestock**, commented also.

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Break @ 9:32am {Tape : 2; Side : A; Approx. Time Counter : 0.3}

HEARING ON HB 2 - DEPT. OF LIVESTOCK BUDGET - CENTRALIZED
SERVICES PROGRAM

Bob Tallerico discussed Central Services and the adjoining LFD Issues on page **C-95**, and the Present Law Adjustments table on page **C-96** of the LBA 2001 budget book. **Sen. Keating** asked about the source of funding for this department. **Doug Schmitz** commented, while **Sen. Nelson** asked if there are any audit issues the committee would need to keep in mind.

Chairman Witt inquired as to "why (they) don't just fly by the seat of (their) pants since (they) are self-funded." **Leonard Grove** and **John Paugh** both responded to the **Chairman**.

Present Law Adjustments:

DP 2

EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - CENTRALIZED
SERVICES PROGRAM

{Tape : 2; Side : B; Approx. Time Counter : 11.7}

Motion/Vote: **SEN. KEATING** moved that **DP 2 BE ADOPTED. SECONDED** by **SEN. CRISMORE**. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

DP 11

Bob Tallerico commented on his LFD Issue with this decision package, while **Mark Bridges** commented on Market Offices at the request of the **Chairman**. **Sen. Keating** inquired as to the number of computers they have overall, and **George Harris** went through the requests of **DP 11**. Next, **Doug Schmitz** commented on fixed costs of \$128,341, referring to the table on page **C-96** of the LBA 2001 budget book, which induced further discussion from **Mr. Harris** and **Mr. Tallerico**.

EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - CENTRALIZED
SERVICES PROGRAM

{Tape : 2; Side : B; Approx. Time Counter : 22.6}

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Motion/Vote: SEN. KEATING moved that DP 11 BE ADOPTED. SECONDED by SEN. CRISMORE. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

DP 26

No action was taken since the department asked to have this decision package cut from the budget.

DP 27, DP 28, & DP 29

**EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - CENTRALIZED
SERVICES PROGRAM**

{Tape : 2; Side : B; Approx. Time Counter : 23.4}

Motion/Vote: SEN. KEATING moved that DP 27, DP 28, & DP 29 BE ADOPTED. SECONDED by SEN. CRISMORE. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

DP 46

George Harris commented on this decision package, then Sen. Keating inquired as to the amount of general fund that reverted in FY98. He also asked about the reason for the switch, which spurred further discussion of the subject.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - CENTRALIZED
SERVICES PROGRAM**

{Tape : 3; Side : A; Approx. Time Counter : 4.7}

Motion/Vote: SEN. CRISMORE moved that DP 46 BE ADOPTED. SECONDED by SEN. KEATING. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

DP 49

Mr. Harris commented on this decision package and said that he disagrees with the idea of having to bump up funding to keep computer analysts.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - CENTRALIZED
SERVICES PROGRAM**

{Tape : 3; Side : A; Approx. Time Counter : 8.9}

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Motion/Vote: SEN. KEATING moved that DP 49 BE ADOPTED. SECONDED
by SEN. CRISMORE. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

New Proposals:

DP 3

George Harris and Mark Bridges commented on this decision package, stating that yes, it is all State Special Revenue account. Committee discussion followed overview.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - CENTRALIZED
SERVICES PROGRAM**

{Tape : 3; Side : A; Approx. Time Counter : 14.9}

Motion/Vote: REP. TROPILA moved that DP 3 BE ADOPTED. SECONDED
by SEN. CRISMORE. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

DP 18

Mr. Harris discussed this decision package and replied to questions from Rep. Troplia and Sen. Keating.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - CENTRALIZED
SERVICES PROGRAM**

{Tape : 3; Side : A; Approx. Time Counter : 19.1}

Motion/Vote: SEN. KEATING moved that DP 18 BE ADOPTED. SECONDED
by SEN. CRISMORE. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

**HEARING ON HB 2 - DEPT. OF LIVESTOCK BUDGET - DIAGNOSTIC
LABORATORY PROGRAM**

Present Law Adjustments:

DP 12

George Harris commented on this decision package, and Sen. Keating asked if this lab is just for livestock. Chairman Witt then inquired if FWP helped with any of the lab funding.

EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - DIAGNOSTIC
LABORATORY PROGRAM

{Tape : 3; Side : A; Approx. Time Counter : 23.1}

Motion/Vote: REP. TROPILA moved that DP 12 BE ADOPTED. SECONDED by SEN. CRISMORE. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

DP 30, DP 31, DP 32, DP 33, & DP 45

Mr. Harris and Mr. Stackhouse addressed DP 30, while answering questions from the committee on CI-75, other labs, and travel.

EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - DIAGNOSTIC
LABORATORY PROGRAM

{Tape : 3; Side : A; Approx. Time Counter : 26.6}

Motion/Vote: REP. HAINES moved that DP 30, DP 31, DP 32, DP 33, & DP 45 BE ADOPTED. SECONDED by REP. TROPILA. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

DP 47

Mr. Harris commented and replied to Sen. Keating's question on the increase of general fund authority. Mr. Tallerico commented on the LFD Issues and Options, while Mr. Harris responded to the concerns of Sen. Keating.

EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - DIAGNOSTIC
LABORATORY PROGRAM

{Tape : 3; Side : B; Approx. Time Counter : 4.3}

Motion/Vote: SEN. CRISMORE moved that DP 47 BE ADOPTED. SECONDED by REP. HAINES. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

New Proposals:

DP 13

Larry Stackhouse and **Jerry Leep** both commented on this decision package and the need for a microbiologist, while **Mr. Harris** responded to questions from **Rep. Haines**.

EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - DIAGNOSTIC
LABORATORY PROGRAM

{Tape : 3; Side : B; Approx. Time Counter : 14}

Motion/Vote: REP. TROPILA moved that DP 13 BE ADOPTED. SECONDED by SEN. CRISMORE. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

DP 25

Mr. Harris commented on this decision package stating that they found it cheaper to lease than to reimburse for use of personal vehicle.

EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - DIAGNOSTIC
LABORATORY PROGRAM

{Tape : 3; Side : B; Approx. Time Counter : 15.7}

Motion/Vote: SEN. CRISMORE moved that DP 25 BE ADOPTED INCLUDING THE REMOVAL OF \$1,804 STATE SPECIAL REVENUE APPROPRIATION AUTHORITY FOR IN-STATE PERSONAL CAR MILEAGE FROM FY2000 AND FY2001. SECONDED by REP. HAINES. Motion carried unanimously.

**Sen. Nelson was not present during executive action.*

DP 28

Dr. Stackhouse commented on this decision package, while answering questions from **Rep. Haines** and the rest of the committee on the number of FTE's.

EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - DIAGNOSTIC
LABORATORY PROGRAM

{Tape : 4; Side : A; Approx. Time Counter : 6.2}

Motion/Vote: SEN. CRISMORE moved that DP 28 BE ADOPTED. SECONDED by SEN. KEATING. Motion failed 2-4 with Crismore and Nelson voting aye.

HEARING ON HB 2 - DEPT. OF LIVESTOCK BUDGET - DISEASE CONTROL
PROGRAM

Present Law Adjustments:

DP 15 & DP 34

Bob Tallerico commented on the LFD Issues, while **Sen. Keating** and **Sen. Nelson** inquired about travel money for the division and what was spent last time.

EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - DISEASE CONTROL
PROGRAM

{Tape : 4; Side : A; Approx. Time Counter : 17.1}

Motion/Vote: **SEN. KEATING** moved that DP 15 & DP 34 BE ADOPTED.
SECONDED by **SEN. CRISMORE**. Motion carried unanimously.

New Proposals:

DP 16

Mr. Harris and **Dr. Gertonson** addressed this decision package.
Rep. Tropila asked about the number of veterinarians in the
department at the moment.

EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - DISEASE CONTROL
PROGRAM

{Tape : 4; Side : B; Approx. Time Counter : 10.4}

Motion/Vote: **SEN. KEATING** moved that DP 16 BE ADOPTED. **SECONDED**
by **SEN. NELSON**. Motion carried unanimously.

**Rep. Tropila was not present during executive action.*

DP 26

Chairman Witt and **Sen. Nelson** inquired about the office clerk
position, with comments from **Mr. Tallerico**. **Sen. Keating** asked if
the total fund includes personal services. **Mr. Harris** and the

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division replied yes, personal services are included, though
equipment is not.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF LIVESTOCK - DISEASE CONTROL
PROGRAM**

{Tape : 4; Side : B; Approx. Time Counter : 15.8}

Motion/Vote: SEN. KEATING moved that DP 26 BE ADOPTED. SECONDED
by SEN. CRISMORE. Motion carried 4-1 with Haines voting no.

**Rep. Tropila was not present during executive action.*

DP 35

Mark Bridges presented this decision package with reference to
Table 3 on page **C-106** of the LBA 2001 budget book. He asked to
cut the budget requests of \$444,521 in FY00 and \$444,532 FY01 by
\$225,000 each year due to Federal funds. There was discussion
between committee members and budget staff following the request
of **Mr. Bridges**.

No action taken.

ADJOURNMENT

Adjournment: 12:00 A.M.

REP. JOHN WITT, Chairman

SUMMER ALGER, Secretary

JW/SA

EXHIBIT (jnh17aad)